

**CITY COUNCIL OF THE CITY OF SAN DIEGO  
SUPPLEMENTAL DOCKET NUMBER 5  
MONDAY, AUGUST 1, 2016, AT 2:00 PM  
CITY ADMINISTRATION BUILDING  
COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**  
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**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS**  
**ORDINANCES TO BE INTRODUCED, READY FOR DISPENSING WITH THE READING  
AND ADOPTION WITH RESOLUTIONS TO BE ADOPTED:**

ITEM-S402: Consideration of a proposed Cannabis Business Tax Ordinance for placement on the November 2016, ballot. (Citywide.)

**ITEM DESCRIPTION:**

Request that the City Council adopt the ordinance in Subitem A to place on the November 8, 2016, Municipal Special Election ballot a measure to implement a gross receipts tax on recreational marijuana businesses; and adopt the resolution in Subitem B, directing the preparation of related ballot materials.

**TODAY'S ACTIONS ARE:**

Introduce and adopt the ordinance; and adopt the resolution:

Subitem-A: (O-2017-20 Cor. Copy)

Introduction and adoption of an Ordinance submitting to the qualified voters of the City of San Diego, at the Municipal Special Election, consolidated with the Statewide General Election to be held on November 8, 2016, one measure amending the San Diego Municipal Code to impose a General Tax on Non-Medical Cannabis businesses engaged in business in the City of San Diego.

Subitem-B: (R-2017-53)

Directing the City Attorney to prepare a ballot title and summary, and an impartial analysis, of the proposed ballot measure for inclusion in the voter pamphlet and to deliver the ballot title and summary, and the impartial analysis, to the Office of the City Clerk, Elections Section, no later than August 22, 2016;

Directing the Independent Budget Analyst, working with the Mayor (or the Mayor's designee) and the City Auditor, to prepare a fiscal impact analysis of the proposed ballot measure for inclusion in the voter pamphlet and to deliver the analysis to the Office of the City Clerk, Elections Section, no later than August 22, 2016;

Authorizing \_\_\_\_\_ to sign and file a written ballot argument in \_\_\_\_\_ the ballot measure for inclusion in the voter pamphlet, and to deliver the argument to the Office of the City Clerk, Elections Section, no later than August 25, 2016.

**NOTE:** Subitem B is not subject to the Mayor's veto.

**SUPPORTING INFORMATION:**

**FISCAL CONSIDERATIONS:**

\$4,173,583 is budgeted under Citywide Program Expenditures for the November 2016, election. The final cost will be impacted by the total number of ballot measures approved for the ballot and is unknown at this time.

**PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:**

This item was presented to the Rules Committee on June 20, 2016. Motion by Councilmember Kersey, second by Councilmember Cole, to forward the proposed Cannabis Business Tax Ordinance to the City Council, and direct the City Attorney, Independent Budget Analyst, Chief Financial Officer's Office and relevant Council staff to bring a final proposal to the full City Council on July 11; and make the implementation of the proposed gross receipts tax contingent upon passage of the Statewide Adult Use of Marijuana Act. (4-1; Kersey-yea, Lightner-yea, Cole-yea, Emerald- yea, Cate-nay).

This item was presented to City Council on July 11, 2016. Councilmember Kersey motioned to include recreational cannabis and exclude medicinal cannabis from the proposed Cannabis Business Tax Ordinance and to phase the gross receipts tax in at 5% in the first two years and move to 8% thereafter, and direct the City Attorney's Office to prepare ballot language for the Municipal Special Election, consolidated with the California State General Election to be held on November 8, 2016.

Bouteller

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City Attorney Contact: Will, Brant C. and Spivak, Sharon B.

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS**

**RESOLUTIONS:**

ITEM-403: Agreement Between the City of San Diego and Deputy City Attorneys Association  
Authorizing Placement of a Proposed Amendment to San Diego Charter Section 40  
Regarding Changes to Charter Section 40 on the November 8, 2016, Ballot.

**ITEM DESCRIPTION:**

This action approves an Agreement between the City of San Diego (City) and the Deputy City Attorneys Association (DCAA) regarding proposed changes to Charter Section 40 to be placed on the November 2016, ballot for consideration by the electorate.

**STAFF'S RECOMMENDATION:**

Adopt the following resolution:

(R-2017-66)

Approving and ratifying the Side Letter Agreement between the City of San Diego (City) and Deputy City Attorneys Association (DCAA), authorizing the placement of a proposed Amendment to Charter Section 40 on the November 8, 2016, ballot; the approved Side Letter Agreement, pursuant to the Meyers-Milias-Brown Act (MMBA) and City Council Policy 300-06.

**STAFF SUPPORTING INFORMATION:**

**FISCAL CONSIDERATIONS:** None.

**PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:**

Rules Committee, June 20, 2016:

ACTION: Motion by Councilmember Emerald, second by Chair Lightner, to forward the recommended edits to Charter Section 40: City Attorney to Council on July 11, subject to legal review, for placement on the November 2016, ballot; direct the City Attorney to work with the Council President to prepare draft language for review by the Council; and recommend the Council enter into meet and confer regarding the amendment to change the probationary period for Deputy City Attorneys from two years to one year.

Amended by Chair Lightner, accepted by Councilmember Emerald, to have meet and confer include to consider moving the probationary period for Deputy City Attorneys from the Charter to the Municipal Code; request the City Attorney conduct a "single subject rule" evaluation to determine whether clarification that the San Diego City Employee's Retirement System's Board of Administration should have its own independent legal counsel can be incorporated in further amendments to Charter Section 40; and change the phrase "form and legality" in Charter Section 280(b) to read "form or correctness."

VOTE: 5-0; Lightner-yea, Cole-yea, Cate-yea, Kersey-yea, Emerald-yea. (Rev. 7/6/16)

San Diego City Council, July 11, 2016:

ACTION: Considering the recommendations from the Rules Committee regarding a potential ballot measure related to Charter Section 40: City Attorney, addressing the qualifications for office and the powers and duties of the Office of the City Attorney; directing the City's labor negotiating team to meet and confer with the Deputy City Attorney's Association regarding the proposal to reduce the probationary period for Deputy City Attorneys from two years to one year and return to Council for placement on the ballot once meet and confer is complete; and including the directions made by Council.

VOTE: Unanimous; all present.

von Kalinowski/Villa

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City Attorney Contact: Dawson, Joan F.